



YEAR OF THE JEDI

Marketers await return of 'Star Wars' summer

By BOB MARICH

The eagerly awaited third film of the "Star Wars" saga shapes up as much a potential blockbuster in merchandising and promotional tie-ins as it is expected to be at the box office.

Two major package goods marketers—Coca-Cola and Procter & Gamble—and a fast-food chain—Burger King—plan national promotions tied to

Some 200 shopping centers are expected to feature this "Jedi Adventure Center," which promotes the film and licensed products.

the \$35 million "Return of the Jedi," a 20th Century-Fox release opening in late May. Pepperidge Farm will have "Jedi" cookies. And Kenner Products, a General Mills unit that holds the toy license, plans to spend more than \$12 million to advertise action figures and other merchandise bearing the "Star Wars" imprint.

The "Jedi" creations said to be in line for much hoopla are Ewoks, bear-like animals that dwell in a forest, and the stuffed dolls figure to be a new entry in the teddy bear market. All told, Kenner will be adding 17 new characters to its action-figure roster this year. The new items are supposedly under wraps until the

(Continued on Page 66)

Luisi and JWT swap lawsuits

By CHRISTY MARSHALL

NEW YORK—After 14 months of silence, Marie Luisi is suing her former employer, JWT Group, for \$50 million-plus. Thompson said it will counter-sue for an undisclosed amount of money.

The former senior vp-head of syndication and spot tv sales at J. Walter Thompson Co., who was fired in February, 1982, when "accounting irregularities" turned up in her unit, has filed a claim against JWT in New York state supreme court that names five JWT executives and seeks more than \$50 million for "purported damage to her reputation and other alleged injuries," according to a JWT spokesman.

Mrs. Luisi, through her attorneys, scheduled meetings with

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Advertising Age

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April 11, 1983

NBC opens piggyback gate

By DIANE MERMIGAS

NBC officials are denying that advertiser pressure prompted them to begin experimenting with "piggybacking," adjoining 15-second spots for unrelated products of a single sponsor.

Joseph Iaricci, vp-sales administration at NBC-TV, said the new arrangement announced last week will allow advertisers with small budgets to enter the network arena and will aid larger advertisers with many products or with special promotions.

Executives of all three networks, however, confirm that Alberto-Culver Co. approached them last month, requesting it be allowed to sell two of its unrelated products in one 30-second slot, 15-seconds for each. Until now, the networks allowed advertisers to air adjoining

15-second spots within a regular 30-second spot only for related or "integrated" products.

A source said there had been discussion of the Melrose Park, Ill.-based Alberto filing suit against the networks and/or the National Assn. of Broadcasters if the piggyback spots were not approved. NAB codes used to prohibit piggybacking as well, but the code was dropped because of government antitrust arguments.

James Witherell, group vp of Alberto-Culver, commented, "We do not have any legal action pending against the networks or the NAB." He would not comment specifically on whether the subject of legal action had ever been taken up with these parties, however, although stating, "From time to time we've talked to the networks about different scheduling."

Mr. Iaricci also denied that the new plan is

being offered as a hedge against spiraling prime time ad rates or as an alternative to a proposed third-phase expansion of network prime time ad inventory next fall. NBC reluctantly went along with earlier phases of tri-network ad inventory expansions last fall and this month.

Mr. Witherell called the NBC move on piggybacking "enlightened," and said it was "a very healthy move for the industry. We think that utilizing tv commercials in some cases to advertise more than one product is a very viable and a very good idea, especially as costs continue to escalate."

The toiletries and household products company has long been a vocal proponent of the piggyback concept. For example, chief executive officer Leonard Lavin appeared in the early

(Continued on Page 68)

CAB: Advertisers must recognize two-tv universe

Cable gets serious on ads

By SUSAN SPILLMAN

NEW YORK—The hype is gone and the hard work has begun. Cable tv finally is hauling out the heavy-duty ammunition in its battle for advertisers' dollars.

Buzzwords like "infomercial" and "narrowcasting" still could be

heard occasionally at the Cable-television Advertising Bureau's second annual conference held here last week. But the clear and unmistakable message was: Broadcast shares are down and still dropping. Cable penetration is up and growing rapidly. A two-tv universe is emerging and advertisers

must recognize it.

Cable executives, in making their most forceful pitch this year, came armed with plenty of bar graphs, sponsor testimonials and a new service that can measure the underdelivery to cable homes of any advertiser's broadcast network schedule.

"According to A.C. Nielsen's current estimates, cable penetration is at 31 million households, or 37.2% of all tv households," Robert Alter, CAB president, said in a keynote address to more than 1,000 cable operators, advertisers and agency executives. "That's 28% growth in one year. We should hit 40% by midyear, 50% by 1985 and over 60% by 1990."

At the same time, Mr. Alter added that network affiliate shares may have declined only three points from 81% to 78% in noncable households between November, 1981, and November, 1982.

■ But in cable households, the drop was from 65% to 60%. (Affiliates' shares dropped from 74 to 70 in total tv households.)

"It's becoming more and more evident that there are now two tv universes—those that have cable and those without," he said. That message was driven home by several other speakers during the

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"It's all you need in the shower," concludes this Marschalk-created tv spot for Gillette's new Bare Elegance.

Gillette puts shower soap into liquid fray

By GAY JERVEY

In its ongoing effort to make the American female look better, feel cleaner and maintain a youthful shine and glow, Gillette Co. will introduce Bare Elegance moisturizing body shampoo nationally in June.

Following a yearlong test run in western markets (AA, Feb. 15, '82), the launch will be supported with \$12.4 million in advertising, including network daytime and prime time tv and major women's magazines beginning this summer. Marschalk Co. is the agency.

As a product positioned specifically for use in the shower, Bare

Elegance enters a new subsegment of the \$60 million liquid soap category. Specifically, Gillette is attempting to position it as a "pampering" product that "cleans and moisturizes your bare body" at a reasonable price.

It is designed to "fit the needs of an active woman who wants to do something for herself but who can't spend a lot of time doing so," said George Motley, product manager at the Boston company.

Mr. Motley described Bare Elegance as a hybrid soap and moisturizer and said it obviates the need for any additional post-shower moisturizer. "To date,

(Continued on Page 70)

last minute news

Gillette to introduce Mink Difference shampoo

Boston—Gillette in July will introduce nationally Mink Difference shampoo as a line extension to Mink Difference hairspray. The company says in trade material it plans to spend \$13.8 million in media and promotion, with tv breaking July 3. Magazine ads, sampling and couponing also are planned. N W Ayer, New York, is the agency.

Sculley leaves Pepsi-Cola for Apple presidency

PURCHASE, N.Y.—John Sculley, president of Pepsi-Cola Co., is joining Apple Computer as president-ceo, succeeding A.C. Markkula Jr., who remains on its board. Mr. Sculley reportedly is getting \$7 million over five years. Roger Enrico, Pepsi-Cola exec vp, becomes president of newly named Pepsi-Cola USA, reporting to Victor Bonomo, named exec vp-beverage operations worldwide from president, PepsiCo International.

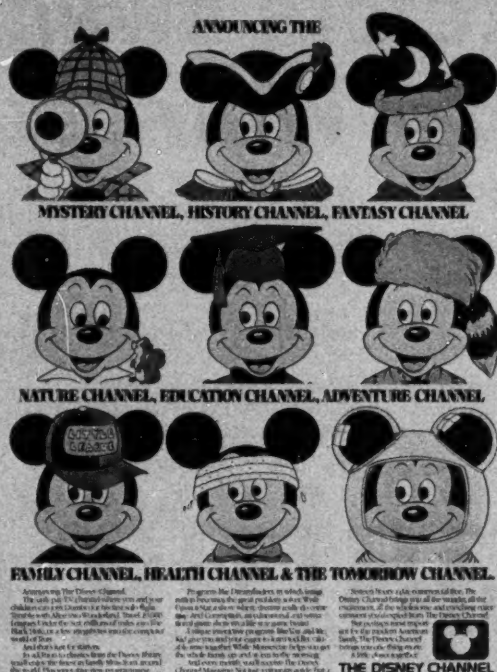
Stepien selling Cleveland agency, NBA team

CLEVELAND—Nationwide Advertising Service, which has recruitment-advertising billings of \$72 million and is this city's largest agency, is being sold by owner Ted Stepien to George and Gordon Gund. The proposed

(Continued on Page 8)

\$70 million Disney net

Yet another cable tv network, the Disney Channel, next week gets under way in about 400 cable systems representing 3.6 million potential subscribers. Success of the \$70 million venture is said to depend on Disney's ability to produce new programming that lives up to its old name. The studio will spend \$40 million in its first year to produce original series and specials. The 16-hour-per-day family-oriented service—retailing for about \$10 per month—offers half original fare, half properties from the Disney library.



ABC sees 3 nets' revenues doubling

By CRAIG REISS

NEW YORK—The three tv networks' revenues will almost double to \$10 billion by 1987, with a revenue gain this year of as much as 17% followed by a 20% gain on top of it for 1984, according to ABC president Fred Pierce.

Speaking before a group of securities analysts late last week at ABC headquarters, Mr. Pierce said network revenue gains for 1983 will benefit from the lack of a National Football League (NFL) players' strike, which cost the three nets \$122 million in lost revenues during the fourth quarter of 1982. Revenue gains for 1984, Mr. Pierce said, will be bolstered by the network's coverage of the Olympic Games (see related story, Page 64), as well as by a robust upfront selling season this year.

Regarding the upfront selling season, John Severino, president of ABC-TV, told analysts the networks face "an extremely ripe environment" that is "totally a seller's market" (AA, April 4).

Mr. Severino said ABC will enter the up-

front season with 20% of its inventory pre-sold for Olympics coverage and political advertising.

Both Mr. Severino and Mr. Pierce said the network expects the upfront market to generate 20% more revenues than in 1982.

If the ABC revenue projections hold up over the next two years, ABC-TV revenues in 1983 will increase by at least \$351 million, to \$2.7 billion. In '84, its revenues should rise by at least \$540 million to \$3.2 billion, although this is a conservative estimate since ABC expects to increase its revenues at a greater rate than its two network competitors due to the Olympic Games coverage. Mr. Pierce added that revenue projections could be much higher if the national economy shows marked improvement over the next few years.

Mr. Severino said the Olympics coverage will generate \$650 million for ABC, mostly from new-to-tv money and will not come out of existing tv ad budgets. He said the Winter Olympic Games are already 92% sold out, while 72% of the Summer Games' ad time has

(Continued on Page 68)

Returning series suffer most, ratings show

By DIANE MERMIGAS

The renewed strength of miniseries and made-for-tv movies this season has contributed to a softening of the weekly series foundation, upon which the networks are attempting to construct new prime time schedules for the fall.

With just a week to go before the official end of the 1982-83 season, it appears that only 20% of the returning network series this season have managed to sustain or improve their average prime time rating and share over last season. The season before, about 40% managed that feat.

The remainder of returning series have suffered rating and share declines, the most dramatic of which has been ABC's "Joanie Loves Chachi," which as a late spring entry

finished fifth last season in the A.C. Nielsen Co. rankings, but has plummeted an average 10 rating points and 13 share points this season. CBS' "Alice" has declined about 6 rating points and 11 share points since last season.

Other returning series that have experienced substantial losses include "Greatest American Hero" (down an average 5 rating, 9 share points); "Too Close for Comfort" (down 6 rating, 9 share points); "Dukes of Hazzard" (down almost 6 rating, 9 share points); "The Jeffersons" (down 3 rating, 6 share points); "Quincy" (down nearly 3 rating, 5 share points), and "Dallas" (down 4 rating, 7 share points).

"Happy Days," "Archie Bunker's Place" and "Trapper John, M.D." each have declined 3 rating and 4 share points. "Taxi" is down only one-half rating point but 6 share

points, and "Love, Sidney" is down 5 rating and 5 share points.

These comparisons are based on Nielsen averages for the 28-week 1981-82 season and for 27 weeks of the current season.

Of the 11 returning series that have sus-

Miniseries glut feared—Page 10.

tained or increased their average rating and share over last season, six are on CBS and five on ABC. They include, however, the recently concluded "M*A*S*H." Some others are "Dynasty," "Magnum, P.I.," "Simon and Simon," "The Fall Guy," "9 to 5," "Knots Landing," "Benson," "20/20" and "Cagney and Lacey."

About two-thirds of the networks' return-

ing series this season have averaged at least a 25 share (representing households with sets turned on), the new cutoff point generally used by network programmers to determine which series to renew for the fall. Of those series, ABC has 16, CBS has 14 and NBC has seven.

Of the 45 new and returning prime time series averaging a 25 share or better this season (as of April 3), 18 are comedies, 10 are dramas, seven are action-adventure, six are regularly scheduled movie nights and four are news or information.

Only eight of the 45 series are new, and only two of those (CBS' "Newhart" and "Gloria") have been on the schedule a full season. The remainder, one on NBC and three on ABC, are recently introduced limited series.

highlights

Monday, April 11, 1983

For the first time in four survey periods, Mediagrade Research Inc.'s magazine readership figures show an aggregate increase in audience. See Page 6.

Seven-Up's new marketing campaign for Like cola, from its new agency, will downplay its caffeine-free claim and center more on taste. See Page 6.

All three tv networks are feverishly planning miniseries for next season, causing some industry observers to fear a coming glut of the genre. See Page 10.

The latest ad effort by long-time Polaroid agency Doyle Dane Bernbach is seeking to sell the company's instant camera by relying on sentiment. See Page 12.

Certi-Fresh, a regional frozen seafood marketer, is joining the "light" frozen entree crowd at the national level with a new "under 300" calorie line. See Page 14.

Swiss watch marketers are challenging the growing Asian domination of the world market with the new low-price Swatch watch. See Page 18.

Doyle Dane Bernbach purchased a pr agency, ECOM Consultants, which will provide pr

for DDB clients that request it as well as handle additional clients. See Page 22.

Kitchen-appliance leader KitchenAid is about to launch a new \$5 million ad campaign aiming at increased awareness of all its products. See Page 24.

Scientific American's new Russian-language edition could soon carry advertising, capitalism-style. See Page 30.

Undaunted by a slow start, the president of cable tv's The Weather Channel still is anticipating that the network will meet its break-even mark by fall of next year. See Page 46.

Famous names in food will be cropping up on various toys and games this year. See Page 50.

After weeks of "attack" advertising, Chicago Republican mayoral candidate Bernard Epton's tv spots eased up on his black Democratic opponent Harold Washington in the campaign's final days. See Page 63.

Tribune Co. stockholders last week authorized the privately held company's move public, approving a series of measures that will lead toward that end. See Page 64.

Major League Baseball's \$1 billion-plus tv network contract

renewal is finally signed by ABC Sports. See Page 64.

ABC is cutting back on its coverage of the 1984 Summer Olympic Games, for which it paid a record \$225 million for tv rights. See Page 68.

CORPORATE CLOSEUP

Barratt American, the U.S. arm of Great Britain's largest private-home builder, takes a novel approach to selling homes as it tackles the Southern California market. See Page 4.

VIDEOTECH

Several videogame companies have accelerated their licensing of game characters and names to a wide array of categories, from toys to apparel. See Page 36.

After receiving Federal Communications Commission ap-

proval, low-power tv is on course toward an official lottery that will determine who gets the coveted government licenses. See Page 38.

MAGAZINE

Using a famous character to sell its personal computers, IBM has created quite a success with its Charlie Chaplin look-alike and his ubiquitous rose in advertising. See Page M-4.

Home Computers: Although some skeptics think there will be a slowdown in the growth of the market, the age of microcomputers has wrought a slew of lower-price computers from which consumers can choose. See Page M-9.

James Brady reflects upon the Oscars and the stars and all of their glitter, glitz and attraction. See Page M-45.

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Summer push set for Today

By RUTH STROUD

A unique nonprescription contraceptive for women will hit drugstores this summer.

The product, manufactured by VLI Corp., a small, privately held company in Costa Mesa, Cal., was approved last week by the Food & Drug Administration. Tests showed it was about 85% effective in preventing pregnancy. It consists of a soft, disposable polyurethane sponge saturated with nonoxonyl-9, the same spermicidal chemical used in many other contraceptive gels and creams.

Under the brand name Today, the product reportedly will get about \$8 million in marketing support. Introduction is scheduled for July in the western states, with nationwide rollout in September. Advertising will be handled by Newhoff & Prochnow and is expected to include a wide spectrum of women's magazines.

Today will come in tamperproof, pastel-colored boxes containing three sponges in vacuum-sealed pouches. Industry sources believe it could become a major contender in the market for otc contraceptives. It will sell for about \$3.9

Cover illustration by John Craig.

Luring the consumer with friendly persuasion

By James Auchmutey

Just a few years ago, the computer had an image problem to rival Darth Vader's. In the popular view it was something that coughed out erroneous bills, eliminated office jobs or, as in "2001," tried to commandeer spaceships.

It was *not* something you wanted to invite home.

But today's computer is a friendly sort—or so says the advertising.

In one recent national magazine spread, an Apple display screen was even polite enough to greet the reader with a hearty "HELLO."

In fact, computer companies have spent millions of dollars to ensure that their micro machinery will appeal not only to hardcore chipheads, but also to people who think ROMs are big men who play football for Georgia Frontiere.

Consider the advertising of the seven biggest-selling personal computers—the companies that made the most of last year's almost \$5 billion market: Apple, International Business Machines Corp., Texas Instruments, Timex Corp., Tandy Corp. TRS-80, Commodore

James Auchmutey is a feature writer for the Atlanta Constitution.

Input dollars, output ads

Advertising expenditures of some top personal computer companies*

Companies	8-media total IN MILLIONS	Magazines	Newspaper supplements	Network tv	Spot tv	Network radio	Outdoor
Warner Communications' Atari	7,786.4	1,306.0		660.9	5,819.2		
International Business Machines	3,620.4	3,307.0	313.4				
Apple	3,450.2	3,110.3			87.1	232.0	20.8
Texas Instruments	3,183.8				3,183.8		
Timex Corp.	2,058.9	756.4			1,302.5		
Tandy Corp. TRS-80	2,027.8	652.3		1,372.6	2.9		
Commodore	650.9	650.9					

*Compiled by Leading National Advertisers, January-September, 1982.

**Advertising expenditures refer to personal computer systems divisions of listed companies.

Business Machines, Tandy Corp. and Timex Corp. Through the first nine months of 1982, they spent more than \$22 million in national advertising, according to Leading National Advertisers.

Their ads, although as varied as their computers, contain three major elements: Making the machines seem less threatening and more "user-friendly," educating the public on just what these computers can do and—the old standby—cost.

Apple is currently the largest seller of personal computers costing more than \$1,000, according to Ken Lim, an analyst with Dataquest, a market research company in Cupertino, Cal. For its advertising, it uses the first two elements.

The theme of its campaign is "The leader educates," but the more memorable part is the tagline: "The most personal computer." One of Apple's splashiest ads, an eight-page foldout that ran in national publications early this year, listed 100 tasks personal computers have undertaken, from the sublime—cross-referencing Bible verses—to the ridiculous—performing a wedding ceremony via a voice synthesizer.

All told, says Apple ad manager Henry Whitfield, the com-

(Continued on Page M-16)

Newsweek and Digital Retailing Report on

Home and Personal Computers

Newsweek Executive Plus, October 31

Digital Retailing, November issue

Newsweek presents 6.5 million consumers with a comprehensive guide to picking the right software before buying a personal computer.

It's Newsweek's Special Advertising Supplement on Home and Personal Computers—written by the editors of *Digital Retailing*, the computer marketing magazine from the publishers of *Dealerscope*.

With Advertiser Bonuses:

- Supplement to appear in November's *Digital Retailing*, delivering over 23,000 subscribers in retail, wholesale, and manufacturing—all committed to the fast-growing field of home/personal computers.
- Distribution of *Digital Retailing* with *Newsweek* supplement at the COMDEX Computer Show in Las Vegas.
- Distribution of *Newsweek* supplement at ComputerLand retail stores nationwide, for valuable point-of-sale exposure.
- Reader Response Cards in *Newsweek* and *Digital Retailing* to attract quality sales leads.

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Contact your local Newsweek representative, or Duncan McMillan at (212) 350-2611—or Bruce Fein at (617) 890-5124.

**DIGITAL
RETAILING**
The Marketing Magazine for the Personal Computer Industry

**Newsweek
SPECIAL
ADVERTISING
SUPPLEMENTS**
We report to you.



A soft sell

(Continued from Page M-14)

pany plans to spend more than \$20 million on advertising in 1983, mostly in print. By comparison, it spent less than \$10 million two years ago. Chiat/Day, San Francisco, has the account.

Having sold personal systems since 1977, Apple pioneered the computer soft-sell. The company has always stressed down-to-earth ad copy. Mr. Whitfield says. "Most people are very frustrated when they read computer ads that talk about word processing and bytes and ROMs and RAMs," he says. "I mean, that's over most people's heads."

He adds that Apple addresses

a public that knows the computer revolution is here, but just doesn't know how to join it.

"Most people are very frustrated when they read computer ads that talk about word processing and bytes and ROMs and RAMs."

"The avoidance factor is very strong," he says. "It's not like going in to buy a stereo. People

have to learn a lot more not to feel vulnerable in a computer store, and learning is a big hassle. We're trying to cut down the hassle factor."

Mr. Whitfield believes Apple is succeeding in making computers seem more accessible. Even the names—Apple, Lisa, the upcoming Macintosh—sound friendly (prompting wiseacres to wonder whether a Wine-sap computer is in the wings).

"We have an image as a California company started by a couple of young guys," Mr. Whitfield says. "We are inherently warm and fuzzy, but we need to work on being perceived as a serious supplier."

Apple's biggest competitor in the over-\$1,000 market, IBM, doesn't have that problem.

"People know they're credible," says Mr. Whitfield, "so they can work on the warm and fuzzy

"It doesn't do us as much good to put money into print and tv ads like our competition. We put two-thirds of our money into direct mail."

part—becoming humanized."

To that end, IBM has pumped massive dollars into its "Tool for

Modern Times" campaign for the IBM Personal Computer. The account is handled by Lord, Geller, Federico, Einstein, New York. Although IBM will not disclose how much money going into advertising, accord to Leading National Advertiser figures, IBM spent \$3.6 million from January to September, 1982, to advertise its personal computer systems. Of that amount, \$3.3 million went into magazines. Recently, *Business Week* estimated IBM will spend \$13 million to advertise the personal computer on tv in 1983.

Whatever the advertising costs are, it's hard to imagine a more universally human character than Charlie Chaplin's Little Tramp. In its ubiquitous tv and print ads for its product, IBM takes a Chaplin look-alike and depicts the Tramp in scenes reminiscent of the classic 1936 film "Modern Times," in which the character was comically overcome by the assembly line pace (see story on Page M-4).

"We see him as an Everyman," explains IBM spokesman Dan Scherer. "He's trying to cope, and we're trying to help."

Many ads are black & white except for one red rose, suggesting the Tramp's sentimental side and making the machine seem friendlier.

Like IBM, Texas Instruments uses a familiar face—comedian Bill Cosby. The company, which, according to Mr. Lim of Dataquest, was the No. 2 most frequent seller of below-\$1,000 systems in 1982, chose him for a number of reasons.

"He has visibility and he relates to children well," says company representative Jon Campbell. "We emphasize the educational aspect of home computers, and Mr. Cosby fits in well since he actually has a doctorate in education."

The most visible spot for the campaign, created by McCann-Erickson, features Mr. Cosby talking on a phone and reacting to the news that TI is offering a \$100 rebate on its home computer. He feigns astonishment—he wants to be sure about this stupendous offer. "That's \$100 for the people," he says, mugging as he hasn't mugged since he got those kids to try Jell-O instant pudding.

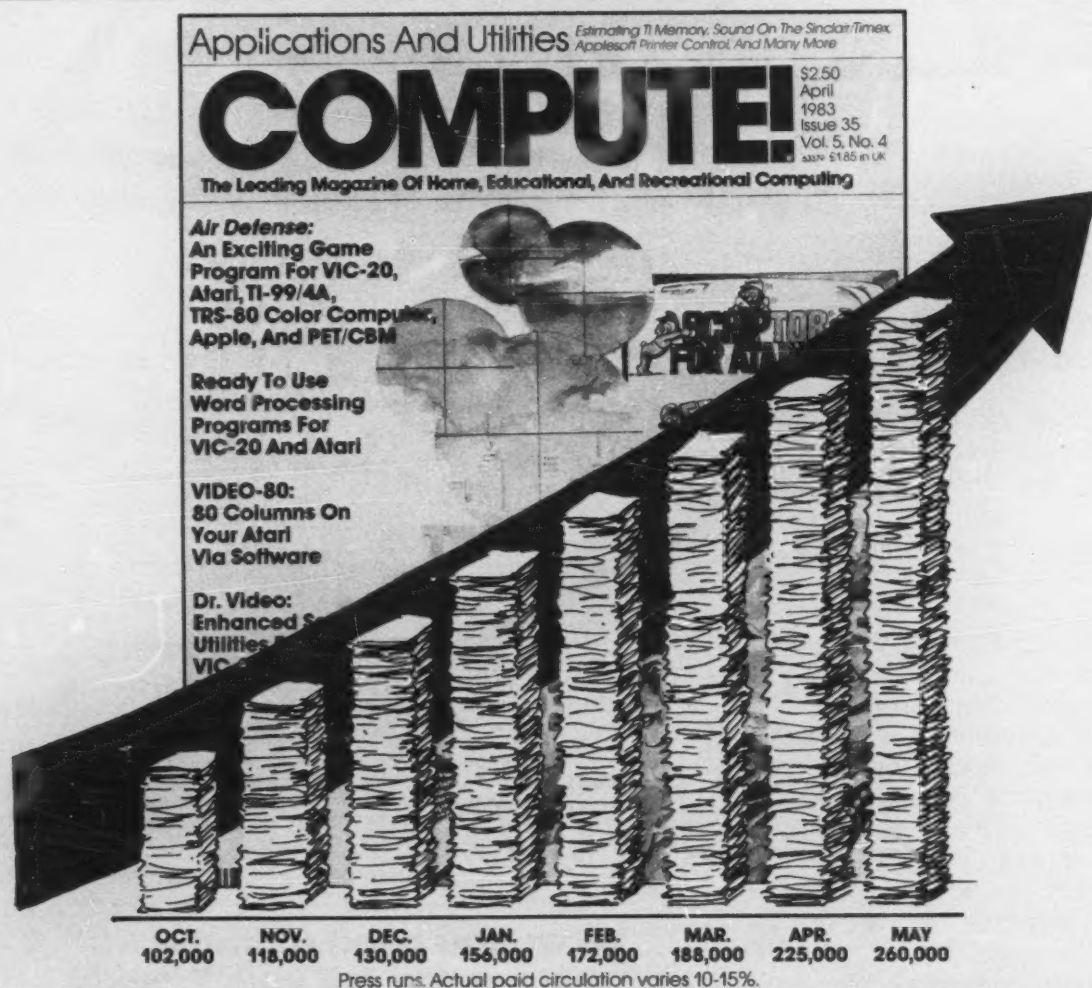
In its multimedia campaign, Atari also stresses the educational potential of personal computers, showing children learning to speak French on a home system. Those spots ran during the ABC-TV spectacular "The Winds of War."

The dilemma for this Silicon Valley company—No. 3 seller in the below-\$1,000 market—is unique: There's a Pac-Man on its back. A subsidiary of Warner Communications, Atari has been almost exclusively identified with videogames in the eyes of the public. "It's a problem," admits Atari ad manager Barry Ofstedal. "We need to create a distinct image for the Atari home computer apart from our videogames."

Wells, Rich, Greene has the home computer account.

Commodore, one of Atari's main competitors, has jumped all over Atari's just-for-games (Continued on Page M-18)

COMPUTE!'s Explosive Growth Continues



The consumer computer revolution is just beginning.
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ABC Application Pending

A soft sell

(Continued from Page M-16) image in its advertising. Commodore, says Mr. Lim, is the No. 1 seller in the below-\$1,000 market; it is easily the most combative of the big seven. Its print ads last fall struck right at the heart of Atari's problem. Its headline read: "A real computer for the price of a toy." The copy advised checking out the Commodore VIC-20 because "all of its games come in a different, more worthwhile package: A full-fledged computer."

"Yeah, we really went after those videogames-only machines," chuckles Hugh McCloy, the Commodore account executive at Ally & Gargano, New



IBM advertising uses a Charlie Chaplin look-alike to reassure the consumer. An Apple ad describes 100 functions the Apple—"the most personal computer"—can perform, including correcting spelling, testing beer recipes, playing chess, and helping to understand a 14-year-old.



Why Interface Age Works

The leading magazine for business/personal computer users.

It Reaches your Target Audience

• Computer Purchasers

PURCHASING LEVEL:	
Immediate Purchase.....	23.0%
Purchase 30-60 days.....	28.5%
PRODUCT INTEREST	
Hardware.....	51.6%
Software.....	70.2%
Peripherals.....	39.0%
Data Communication.....	26.0%

HARDWARE EXPENDITURE

\$ 250 - \$ 1,999.....	13.3%
\$ 2,000 - \$ 4,999.....	16.3%
\$ 5,000 - \$ 9,999.....	39.4%
\$10,000 - \$20,000.....	21.7%
Over \$20,000.....	9.3%

SOFTWARE EXPENDITURE

\$ 50 - \$ 499.....	41.1%
\$ 500 - \$ 1,999.....	36.3%
\$ 2,000 - \$ 4,999.....	16.2%
\$ 5,000 - \$ 9,999.....	4.5%
\$10,000 - \$20,000.....	1.7%
Over \$20,000.....	.2%

• Educated Purchasers

Average Household Income.....	\$62,344
Average Personal Income.....	\$55,860
Graduated College.....	73%
Graduate School Degree.....	36%
Average Age.....	37
Combined Household Net Worth.....	\$315,627



• Key Decision Makers

SELF-EMPLOYED:	
Company Owner.....	29.3%
Professional.....	17.2%
EMPLOYED:	
Corporate/Executive/Management.....	15.7%
Scientist/Engineer.....	14.2%
SIZE OF BUSINESS:	
\$250,000 to \$1.5 million.....	23.6%
\$1.5 million to \$10 million.....	44.3%
\$10 million to \$25 million.....	12.2%
\$25 million to \$75 million.....	7.8%
Over \$75 million.....	12.1%

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York.

Commodore ads can get quite direct. In one short-lived tv spot, Mr. McCloy recalls, an Apple was consumed bite by bite as the narrator extolled the virtues of the Commodore.

And in tv spots this past winter, competitors' computers were asked to rate themselves against a Commodore and pick the better of the two. "Commodore," flashed an Apple screen. Then a voice, its tone slightly mocking: "That's what we like about our competition: It's so honest."

The third element that characterizes recent computer advertising—price—is represented by Commodore as well. In full-page newspaper ads this winter, the price-slashing efforts of Atari and TI were noted in the Commodore ads. "Even if they gave theirs away, the Commodore VIC-20 would still be a better computer," noted the headline.

In comparison, Tandy Corp.'s Radio Shack, makers of the TRS-80s, seems quiet. A leading maker of computers costing above and below \$1,000, this direct retailer, with 6,500 outlets nationwide, has a different strategy. It handles advertising inhouse, and, according to John Shirley, vp of Radio Shack's computer division, some 9% of sales goes into spreading the word about TRS-80. But its not weighted toward tv and print.

"It doesn't do us as much good to put money into nice print and tv ads like our competition does. We put two-thirds of our money into direct mail."

Nevertheless, Radio Shack has run substantial print advertising, such as the magazine spread last fall, with science fiction writer Isaac Asimov endorsing the TRS-80. And before Christmas, the company ran numerous newspaper and tv ads whose message was, says Mr. Shirley, "price cut, price cut, price cut."

But when it comes to price cutting, Timex has entered a new dimension. The Timex/Sinclair 1000 has always been low-cost, retailing for \$99.95, with an additional rebate of \$15. Recently, however, it announced another price cut, to \$54.95, including a \$15 rebate. The reduction, according to a company official, was to assure Timex's role as the "price-value" leader in the home computer field.

The tiny computer was intro-

How to balance the books.



duced last year in a \$25 million-plus campaign orchestrated by J. Walter Thompson USA.

The ads, mostly in national magazines, show a 1000 emerging from a starburst between outstretched hands. The theme: "The power is within your reach." The message: Never mind that this is like a set of computer training wheels; you have to start somewhere if you want to become computer-literate. The low price is possible, the copy explains, because "as technology increases, price decreases. It happened to the calculator. It happened to the digital watch."

Indeed, there is precedent. Timex is performing for the computer the same egalitarian task it did for the wristwatch: Make it accessible to all but the destitute.

In Peter A McWilliams' "The Personal Computer Book," he writes of one tv commercial planned by Timex in which John Cameron Swayze stands at a firing range. A rifleman draws a bead on the Timex/Sinclair 1000, squeezes the trigger and sends chunks of high-tech plastic flying. The eager Mr. Swayze examines the remains, looks into the camera. "The Timex/Sinclair," he says, "takes a shooting but keeps on computing."

Now, although the Middlebury, Conn.-based company has not gone that far—as yet—what could be friendlier than a spot that harkens back to the age of "Ozzie and Harriet"?

Marketers benefit from added exposure

Foods like toying with tie-ins

By JAMES P. FORKAN

Food companies, especially in the candy and fast-food categories, seem to be the advertisers most taken with the idea of licensing their brand names and logos to toy and game companies.

Such marketers see this additional exposure as beneficial to their product visibility, while the toy makers feel that such brand names, backed by millions of ad dollars, are nearly as "presold" to the family audience as popular tv series characters—and in some cases more so.

Mattel Toys is introducing a Barbie Loves McDonald's playset later this year, as well as McDonald's uniforms as fashion accessories for its Barbie and Ken dolls. This will be the biggest toy license by a fast-food giant during 1983, but it will

not be the first. A few years ago, Playskool marketed a McDonald's playset for preschoolers, and Hasbro Industries and others have at one time or other had Ronald McDonald and Burger King dolls on toy store shelves.

Mattel, whose BurgerTime hand-held electronic game is among prizes in a new McDonald's contest, also will be promoting Patterns by Simplicity for the Barbie Sew Perfect toy sewing machine; the Simplicity name is licensed from Simplicity Pattern Co.

Also coming from Mattel (through Mattel Electronics) this summer will be a batch of M Network videogame cartridges that will feature not only licensed cartoon characters like "Scooby Doo" but the Kool-Aid "pitcher man," a familiar figure in tv commercials and print ads for that General

Foods product. According to Mattel, the idea of the Kool-Aid videogame, aimed at children four to nine, is that the youngsters must help the pitcher man "fight off the thirst-ees."

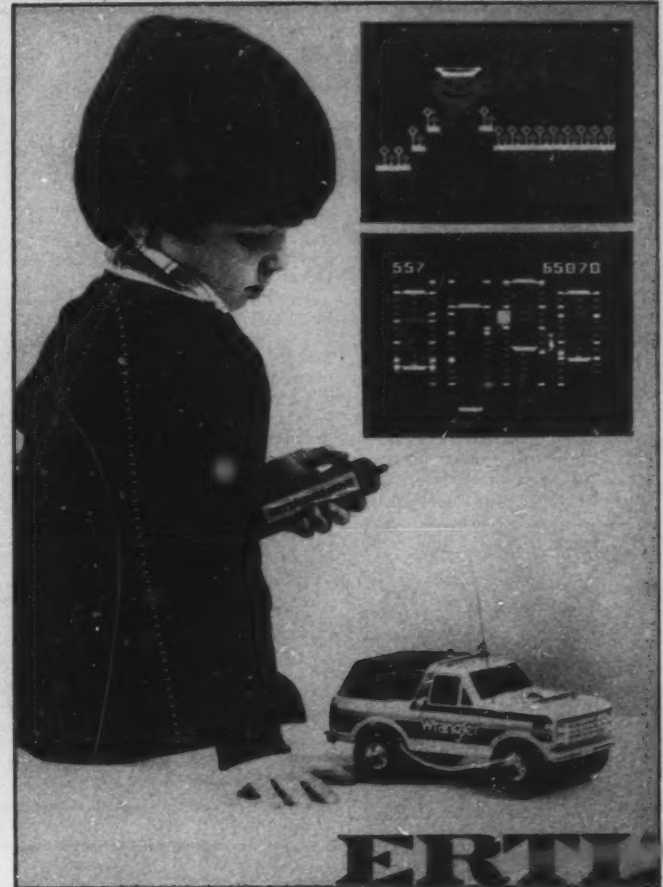
General Mills' Kenner Products, meanwhile, is introducing an addition to its toy-item line tied in with Betty Crocker, a brand name also owned by General Mills. The new Betty Crocker Easy-Bake Dual-Temp child's oven will be sold along with the customary accessory cake mix packets and new Strawberry Shortcake mixes.

Bachman Industries has linked up with a candy brand, Peter Paul Cadbury's PowerHouse. Tv, comics book and p.o.p. advertising will promote the PowerHouse electric train and layout, with the set featuring a train car emblazoned with the candy bar's logo and colored blue like the wrapper.

In another candy deal, Alvimar Mfg. Co. has licensed the Reese's Pieces name for a line of pool/beach inflatables—some of which will be shaped in the form of the candies and the packaging. In initial trade magazine advertising aimed at retailers, Alvimar called the line "extra-terr-iffic," obviously playing on the Hershey Foods brand's "E.T." movie tie-in.

Probably Ertl Co.'s most visible product introductions due late this year will be based on a tie-in, or "cross-sell promotion" as Ertl executives prefer to call it, with Blue Bell for the Wrangler jeans name. The 47-product Wrangler line will include a radio-controlled Wrangler Bronco vehicle, plus toy versions of a pickup truck, livestock hauler, helicopter and cars, plus action figures of the Wrangler man, woman and horses.

Still other toy companies with brand name products due on toy shelves include: Menasca Corp.'s Popsicle People activity sets, licensed from Popsicle Industries; Dekka Plastics' mugs shaped like Pepsi-Cola cans to add to last year's successful Lifesavers mugs; A.R.C. and Talbot Toys impulse items featuring brand names like Hershey's, Reese's Pieces, Life Savers and



Marketers are finding a "presold" sales area for tie-in products. Included are Ertl Co.'s link with Blue Bell's Wrangler jeans name on a Wrangler Bronco vehicle. From Mattel (insets) this summer will be M Network videogame cartridge tie-ins with the Kool-Aid "pitcher man" (top) from General Foods and BurgerTime (bottom), with McDonald's.

Parker presses Atari

ALEXANDRIA, VA.—Adversaries in the videogame software arena are fighting it out in court again, this time arguing whether Atari can induce independent game cartridge wholesale distributors to handle its product exclusively.

Parker Bros. filed a complaint seeking treble damages and a permanent injunction barring Atari from pursuing exclusive distributor arrangements.

A federal judge here issued a temporary restraining order against the Warner Communications subsidiary. But later, U.S. district court Judge Albert Bryan denied a request for a preliminary injunction (AA, April 4). Parker Bros. said it will move forward with its lawsuit.

Atari, which has filed several patent infringement suits recently, has embarked on a new strategy to convince distributors to handle its software alone, apparently aimed at protecting its slipping, but still dominant, share of the software market.

Parker Bros. alleged in its complaint that distributors were given

a March 31 deadline to drop non-Atari software product lines or else Atari "threatened to cut them off."

At least 26 of the nearly 100 major distributors, through whose organizations 55% of game cartridges are sold, agreed to Atari's plan, Parker Bros. said.

Parker Bros., marketer of the blockbuster Frogger game plus the successful "Star Wars"-licensed cartridge, said those 26 companies handle 49% of its independent distributor volume and 31% of its software sales. Parker Bros. said order cancellations from independent distributors topped \$2 million between March 22 and 24 and \$15 million during a one-month period.

Parker Bros. said the Atari practice, which it alleged violates antitrust laws and is an attempt to monopolize the software market, will squeeze it not only in distribution, but inhibit its ability to attract game designers.

Sunnyvale, Cal.-based Atari confirmed it had been "pursuing exclusive distributorship agreements."

Ad pages in farm publications for 3 months, 1983-1982

First-quarter figures for U.S. and Canadian publications reporting to Advertising Age

Pages			Pages			Pages			Pages								
Jan.- March 1983	Jan.- March 1982		Jan.- March 1983	Jan.- March 1982		Jan.- March 1983	Jan.- March 1982		Jan.- March 1983	Jan.- March 1982							
Canadian																	
Country Guide:																	
#Eastern Edition	142.0	174.7	Western Edition	147.2	140.3	Missouri Ruralist (21X)	302.6	358.6	Peanut Farmer (8X)	45.0	62.1						
#National Edition	268.5	328.2	Western Livestock Reporter/- Montwylo News (52X)	182.6	162.5	Ohio Farmer (21X)	361.1	440.1	Successful Farming A.	294.8	338.8						
#Western Edition	174.4	214.4	Total Group	2,919.0	2,784.3	Pennsylvania Farmer (21X)	243.8	287.5	Tennessee Farmer	62.2	66.0						
Le Bulletin des Agriculteurs	211.0	279.0	% change	+4.8%		High Plains Journal:			Western Unit Farm Magazine:								
Total Group	795.9	996.3				Eastern Kansas (52X)	597.1	644.1	Arizona Farmer-Ranchman	77.8	130.0						
% change	-20.1%					Colorado	562.7	646.7	Colorado Rancher								
Dairy & livestock												Nebraska	548.3	622.9	& Farmer	146.8	159.5
Beef Magazine A.	230.4	181.6	Fruit & vegetable			Oklahoma-Texas	583.8	650.3	Wyoming								
Beefweek (52X) B.	124.9	232.6	American Fruit Grower	154.4	147.3	Western Kansas	628.8	701.1	Stockman-Farmer	86.3	86.5						
The Cattleman	367.9	377.4	American Vegetable Grower	129.6	139.9	Irrigation Age (10X) A.	62.3	101.9	Total Group	11,431.0	12,618.2						
Dairy A.	93.8	84.4	Citrus & Vegetable Mag.	124.8	148.1	Kentucky Farmer	110.8	177.7	% change	-9.6%							
Dairy Herd Management	175.7	134.9	Florida Grower & Rancher	61.0	54.1	Lancaster Farming (52X)	1,379.0	1,237.1	Poultry								
Drovers Journal (52X) A.	265.0	244.7	Total Group	469.8	489.4	Midwest Farm Paper Unit: (\$m)			Broiler Industry	153.3	146.7						
Farm Progress			% change	-4.0%		The Farmer	478.6	516.2	Poultry Digest	56.0	75.9						
Hog Producer	37.4	26.8	General farm publications			Nebraska Farmer	530.2	536.8	Poultry Tribune	83.9	89.6						
Feedlot Management	81.5	76.1	American Agriculturist	114.0	131.0	Prairie Farmer A.	458.6	554.5	Poultry & Egg News:								
Florida Cattleman (mon)	222.0	220.2	Big Farmer (11X)	5.3	13.4	Wallaces Farmer (24X) A.	474.6	531.7	Poultry Times								
Hoards Dairymen (23X) A.	303.2	259.7	California Farmer (21X) A.	259.0	263.0	Wisconsin			Southwest Edition	120.0	156.3						
Hog Farm Management	154.4	136.2	Farm Futures A.	126.8	85.7	Agriculturist (24X)	349.1	375.7	Southwest Edition	75.0	101.6						
National Hog Farmer	273.3	273.9	Farm Industry News (10X)	146.6	190.6	Northwest Unit Farm Magazine: (24X)			Northeast/Midwest	58.0	77.8						
Pig American	76.4	65.0	Farm Journal (14X)	300.8	363.3	Idaho Farmer-Stockman	258.1	260.5	Pacific Edition	53.0	73.1						
Southern Beef Producer (8X)	17.5	27.5	Farm Money			Montana Farmer-Stockman	320.6	343.7	Poultry & Egg Mktg.	55.0	62.0						
Southern Hog			Management (6X)	43.3	35.0	Oregon Farmer-Stockman	192.1	202.7	Total Group	652.2	783.0						
Producer (6X) A.	9.0	11.0	Farmer-Stockman Unit:			Utah Farmer-Stockman	174.6	183.4	% change	-16.7%							
Sunbelt Dairymen (6X)	8.7	9.7	Okl. Farmer-Stockman	39.9	62.2	Washington			(X) Represents number of times published each year. A. Sectional lineage included but pro-rated to circulation of regional editions. B. Formerly Livestock Breeder Journal.								
Western Livestock Journal Weekly:			Texas Farmer-Stockman	37.6	51.0	Farmer-Stockman	200.2	223.0									
Central Edition	148.1	115.8	The Grower	—	—	Pecan South (6X)	—	—									
			Harvest Publishing Unit:			Progressive Farmer A.	241.4	235.3									
			Kansas Farmer (21X)	255.0	268.8	Specialized Agricultural Publications											
			Michigan Farmer (21X)	247.8	299.8	Flue Cured Tobacco Farmer	61.3	100.1									

Tough ad clients:
Serving Gallo - Page M-4



Foreign agency
rankings - Page M-9

Jumping on stage with
special events - Page M-29

Advertising Age

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\$1.25 a copy; \$50 a year The International Newspaper of Marketing • In Two Sections, Section 1. April 18, 1983

Her side

A bitter Luisi tells how JWT scandal blew up in her face

By CHRISTY MARSHALL

New York—Marie Luisi, the deposed former head of syndication and spot tv sales at J. Walter Thompson Co., called in the press last week to charge that the agency totally lacked financial controls, imposed heavy pressure for increased profits, inflated program costs to clients to pump up its bottom line and has continued to use its time bank despite last year's earnings writeoff.

In papers served on JWT's counsel—but not yet filed in court—Ms. Luisi also accused her former agency of committing a host of sins against her, including defamation of her reputation and character and intentional infliction of emotional distress. She named five key JWT executives in the suit (AA, April 11). According to the papers, she will ask the New York state supreme court for \$49.3 million in compensatory and \$76 million in punitive damages, or a total of \$125.3 million.

A JWT spokesman called Ms. Luisi's charges "ludicrous."

Sitting in her attorney's office, she paints a picture of a woman who started as a secretary and managed to climb through the corporate ranks, who struggled unsuccessfully for years to correct serious management problems in the giant corporation and who was ultimately crushed by that corporation when it became ensnared by its "lack of adequate financial controls."

Her attorney, Ivan Fisher, said last week that he is considering amending the papers to include as a defendant Price Waterhouse, long-time auditors for JWT. Already named are Don Johnston, chairman-chief executive officer, and Herbert Eames, exec vp-chief financial officer of JWT Group, parent company of J. Walter Thompson Co. Also named are Burt Manning, chairman; Victor Gutierrez, senior vp-treasurer, and Robert Buchanan, exec vp-director of U.S. media, J. Walter Thompson USA. A "John Doe" and "John Roe" are added to cover any possible future actions. The papers were delivered to JWT counsel

(Continued on Page 52)



Photos by Bill Stahl

Donkey Kong latest in kids' cereal rebirth

By JANET NEIMAN

After years of concentrating on adult and family cereals stressing health and diet, cereal marketers are rediscovering kids.

In an attempt to insure trial, many of the new products are based on and use names and characters licensed from other fields, such as videogames, movies, cartoons and tv shows.

The latest entry is Donkey Kong cereal from Ralston Purina Co., based on the popular videogame and licensed from Nintendo of America. The product, a presweetened cereal shaped like the barrels seen in the videogame, will go head to head with Pac-Man cereal from General Mills (AA, Feb. 28), licensed from Bally/Midway Mfg.

St. Louis-based Ralston is introducing Donkey Kong into selected markets, probably as part of a phased national rollout. Those markets include Kansas City, where Pac-Man is already testing. Donkey Kong is described as tasting similar to Quaker's Cap'n Crunch.

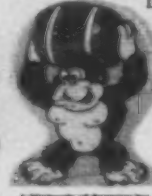
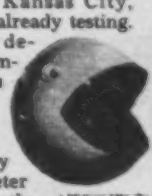
New children's cereals have come from almost every major cereal marketer except Kellogg recently.

General Foods' Post unit has rolled out Smurf-Berry Crunch, which is being backed by \$19 million in advertising and promotion, and Strawberry HoneyComb, a line extension of its Honeycomb brand.

General Mills over the past two years has introduced Donutz and Chocolate Donutz cereals, as well as its Strawberry Shortcake cereal, licensed by American Greetings' Those Characters from Cleveland. That one apparently spurred GF into action on its two new items; the Donutz item ran up against Ralston's own Dinky Donutz.

Quaker Oats has reintroduced Halfies cereal, presweetened half with sugar and half with G.D. Searle & Co.'s aspartame, and has just begun testing ChocoCrunch, a

(Continued on Page 54)



Clients are behind them, agencies say

Buyers resist net prices

By CRAIG REISS

New York—Agency media directors, backed by what they say is mounting client resolve to resist hefty network upfront rate increases next month, are preparing to call the networks' bluff on several key negotiating issues.

Media directors and agency network negotiators argue the network contention that the Olympic Games and national election will reduce the available network inventory in 1984, thereby increasing competition for the remaining ad time, is overstated and possibly could have a reverse effect on pricing.

Furthermore, the agency spokesmen contend that clients are prepared to resist any price increase that goes far above the national inflation rate. The adver-

tisers maintain that it would be difficult to pass along the network price increases to the consumer while inflation is low.

Gene DeWitt, exec vp-U.S. media director at McCann-Erickson, has issued a recommendation to his agency's clients to divert as much as 100% of any network upfront price increase above an acceptable rate of inflation to an alternate tv network (see related story, Page 53).

Mr. DeWitt, who was the first to applaud this year's spate of ad hoc network proposals, wrote in a memorandum to McCann clients, "We recommend that any excessive inflation the networks build into their rates be met with a corresponding reduction in the portion of an advertiser's national tv ad budget allocated to the

(Continued on Page 53)

last minute news

Hyatt spending \$12 million on new approach

CHICAGO—Hyatt Hotels is dropping its eye-catching "Touch of Hyatt" print campaign in favor of a more hard-sell, benefits-oriented approach that, for the first time, will include a substantial presence on network and cable tv. Hyatt is encouraging businessmen and tourists to visit its properties in a \$12 million campaign that breaks this week, using the theme line: "Wish you were here." J. Walter Thompson USA handles.

Block Drug drops Ogilvy in brand shuffle

JERSEY CITY, N.J.—Block Drug has dropped O&M in a brand shuffle. Leaving O&M for Grey is Dentsu-Creme, spending \$4 million; Poli-Grip, spending \$3.5 million, moves to Bloom. Nytol, \$1.5 million, and Dentril, \$1 million, move to Jordan, Case & McGrath from Grey. Shower Dew moisturizer, a test brand at O&M, moves to Rosenfeld, Sirowitz & Lawson.

National Geographic mulls cable net effort

WASHINGTON—National Geographic Society is considering development of a cable tv network, possibly as a joint venture with other parties, that would carry programming on nature, science, travel, animals and other

(Continued on Page 8)

Field puts 'Sun-Times' up for sale

By ROBERT REED

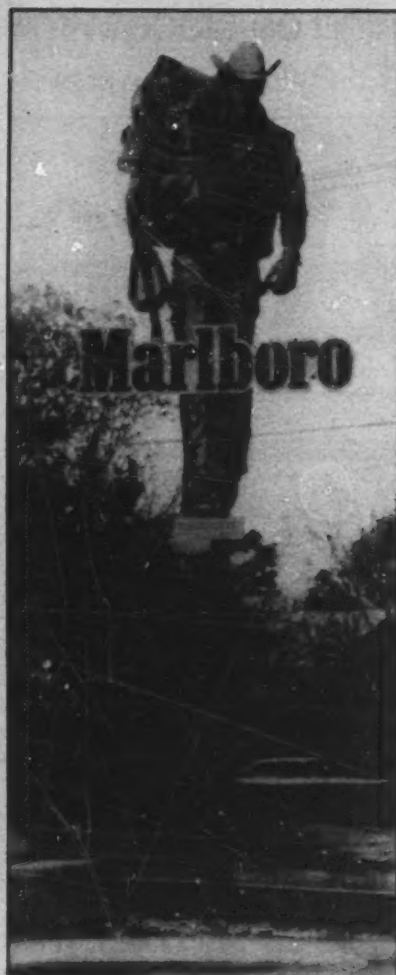
CHICAGO—A long-running disagreement between Field Enterprises' two shareholders has erupted into a plan to dissolve all the communication company's holdings, including the newly revamped Chicago Sun-Times.

Los Angeles Times owner Otis Chandler was approached by the Sun-Times, and is "interested in looking at the numbers," Mr. Chandler said he was told two other publishers also had been contacted, but Sun-Times officials

(Continued on Page 53)

NEWSPAPER

WASHINGTON DC 20004
4550 EAST-WEST HWY #800
SRI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
FBI
DC20004 CONG I
44



Walking tall

About 500 Marlboro cowboys around the country are doing a silent selling job for the world's best-selling cigarette. The unusual 12-by-20-ft. lighted vertical displays consist of one of three poses of a determined Marlboro man with his saddle. Philip Morris USA said the displays are being used along secondary roads and in inner-city locations, as well as 50 minor league baseball parks around the country.

Following FTC decision on B&W's 1mg-tar claim

Barclay back to square 1

WASHINGTON—The Federal Trade Commission issued a notice last week that it will no longer permit Brown & Williamson Tobacco to cite government testing data as a basis for the 1mg tar rating claim for its heavily promoted Barclay cigarette. There was no immediate word from Louisville-based B&W indicating whether changes in its ads will follow.

The announcement confronts B&W with unappetizing choices. One would be to defy FTC and invite a formal complaint and hearing, thus—at a minimum—buying additional time for the 1mg claim.

Other alternatives, all fatal to the 1mg rating, have already been proposed by FTC.

In briefs filed in federal courts, FTC promised to be "flexible," offering B&W three alternatives: Omit any reference to tar and nicotine from Barclay ads; simply claim "low tar," or use an estimated yield of 3mg-to-7mg tar.

As it had earlier, in its preliminary announcement, FTC repeated that it is eyeing other B&W brands. It has determined, FTC said, "that there is a significant likelihood that the current testing method does not assess accurately Brown & Williamson's Kool Ultra and Kool Ultra 100s, each of which uses the Actron filter."

The notice also invited comment on a long list of questions looking toward changes in testing procedures. Some were technical, relating to the equipment itself. Others were motivational. For example, FTC asked: "What evidence is there that smokers use 'higher' tar cigarettes differently than lower 'tar' cigarettes?" "Should the commission explore a system of categories or 'bands' of 'tar' content rather than specific numerical estimates?" "Should consumers be advised that the cigarettes' actual 'tar' delivery depends on how it is smoked?"

By the weekend, B&W was still refusing to go beyond saying that "it intends to cooperate fully" and that it "has requested a meeting." The company expressed satisfaction, however, that FTC specifically said it was not implying that B&W had violated the law for its past reliance on the test data, and it indicated satisfaction that FTC was proposing a revised listing system using "bands" of "tar" instead of numerical estimates.

B&W noted that a Swiss court recently dismissed charges by Philip Morris Inc. that would have prevented the sale of Barclay in Switzerland using the 1mg claim, and it predicted its claims will be supported when all the evidence is in.

Commission lawyers began examining their options the week before last, after learning that they had been given the green light to act by a three-judge federal appeals (Continued on Page 54)

Tv is hurting us, say USFL execs

By ROBERT RAISSMAN

A rift has developed between United States Football League commissioner Chet Simmons and some league marketing directors over the impact of tv exposure on the fledgling league's ticket sales.

Although the marketing executives know that Mr. Simmons' ability to come up with an ABC/ESPN tv package was essential to the development of team and player identities, they believe the USFL's "no blackout" rule in its 12 cities has led to steadily declining ticket sales. Mr. Simmons disagrees and has told club owners they must develop more aggressive marketing plans.

The USFL's contract with ABC-TV does not require the broadcast network to cover all four Sunday contests each week. ABC is obligated to carry a single game each Sunday, but often has carried more. On five of the six Sundays of this first USFL season, ABC has televised two games regionally. Entertainment & Sports Programming (Continued on Page 54)

Season ends, but nets can't let up

By JAMES P. FORKAN

New York—The 1982-83 prime time season was declared over as of Sunday, April 17, but for the affiliates the battle rages on through the May sweeps.

Local stations regard the May rating sweeps period—spanning April 27 through May 24 in the Arbitron Ratings Co. book and April 28 through May 25 in A.C. Nielsen Co.'s—as the most important of the four sweeps periods. Stations must live with these ratings' data for pricing purposes not only throughout the summer but until the November sweeps. (The other sweeps periods are February and July.)

Thus the tv networks are forced to save special programming for

their affiliates' benefit instead of airing them during the official tv season.

This time, however, the networks may be helping themselves, what with their second-quarter sales picture (and spot) on the soft side.

As the season wound down, ABC delivered one more blockbuster, the 34-hour live Academy Awards telecast on April 11. That got ABC off to a strong start in the season's 29th and final week, registering a 38 homes rating and a 59 audience share, its highest Nielsen since 1972. The Oscarcast averaged more than 31.6 million homes an average minute, also a record, and ABC claimed the event drew 90 million (Continued on Page 53)

highlights

Monday, April 18, 1983

Visa International unveils an ambitious plan to form a global network of automatic teller machines that eventually will be linked with sales terminals in department stores and supermarkets. See Page 6.

National Advertising Division challenged two tv campaigns for toys, two of four advertisers that ran into credibility problems. See Page 10.

After tallying their early-spring sales, retailers are seeing signs of a recovery in consumer spending, but are adopting a wait-and-see stance for the second half. See Page 10.

Brandon Tartikoff, NBC Entertainment president, faces a bigger challenge than his peers as he prepares the No. 3 network's prime time strategy for fall. See Page 12.

Gillette's positioning of its Mink Difference shampoo shows the company is sticking to its strategy of segmenting the market. See Page 12.

While heavy fighting continues in the soft-drink business, competition in the bottled-water segment is less intense, despite the fact that it has good growth prospects and several new brands are either entering the market or

expanding. See Page 20.

Esquire expects a record year for ad pages in 1983, paced by two giant 50th anniversary issues. See Page 30.

The growing acceptance of chemical lawn services will not drastically affect marketers of other lawn-care products, and may even have a positive overflow effect on do-it-yourself products. See Page 47.

Kraft spent more than \$2 million for 90 minutes of prime time tv for its show saluting the 25th anniversary of the Country Music Assn. See Page 49.

Where magazine will introduce a national section in an effort to attract more national advertising. See Page 53.

McGraw-Hill notches record results for its first quarter, as chairman-ceo Harold W. McGraw Jr. doffs one of his corporate hats. See Page 54.

Rolls-Royce parks its prestigious \$1.5 million account at Della Femina, Traviano & Partners. See Page 54.

Several tv spots run during the final days of the Chicago mayoral campaign had a heavy impact on U.S. Rep. Harold Washington's victory, according to a spokesman for the Demo-

cratic candidate's ad agency. See Page 55.

Consistent with its avowed strategy to shift back to the basics of soft-drink marketing, Dr Pepper's rollout of its Pepper Free caffeine-free drinks uses a new series of tv spots with a nostalgic tone. See Page 55.

Sears, Roebuck & Co. last week opened its first Financial Network Center separate from a retail store in California. See Page 55.

CORPORATE CLOSEUP

Warner Cosmetics, as in Warner Communications, aims to increase both its corporate and its industry presence. See Page 4.

VIDEOTECH

Tv advertising topped \$9.5

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billion in 1982, with home electronics and computer advertisers registering the biggest percentage increases in ad spending, while food and food products continued as the largest ad category. See Page 31.

MAGAZINE

In the first of a new series on "The Toughest Clients," a look at E&J Gallo Winery and its relationships with more than a dozen agencies since the 1950s. See Page M-4.

Foreign Agency Income: Advertising Age's annual report presents the rankings on international advertising agencies. See Page M-9.

Special Events: Cities, corporations and cultural groups are fast discovering this marketing tool. See Page M-29.

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Vol. 54, No. 17—ADVERTISING AGE (ISSN 0001-8996) is published weekly except semi-weekly the third week in March, the second week in September at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Weekly set as spinoff of 'Post'

WASHINGTON—The Washington Post, resuming the launch countdown for its tabloid *National Weekly Edition*, is projecting a fall rollout. But circulation specifics, ad rates, even the exact grade of premium newsprint that will be used, are still iffy.

The project has been on hold since January. Now two key execs from the editorial and ad staffs of the daily paper have been assigned fulltime, and plans are afoot for a fulltime sales rep in New York. The immediate appointees are Charles Hollingsworth, associated with the project from the outset (AA, Oct. 25), to business manager and ad director, and Noel Epstein to editor.

Mr. Hollingsworth had been corporate and financial ad sales manager of the daily Post, and business manager of its weekly *Washington Business* tab insert.

Mr. Epstein had been managing editor of "Outlook," the Sunday Post's commentary and opinion section.

Circulation expectations for the proposed tabloid—which will reprint articles on politics, the federal government and the economy from the daily and Sunday Post—was put at an imprecise "well (Continued on Page 54)



Foreign Agency Income Report

1983 edition



Hardy shops weather economic storms

Gross income in 1982 rises a robust 27% over 1981

By Dennis Chase

The world's advertising agencies, battered in 1982 by devaluations and a deep recession, still managed to rack up strong growth in gross income.

ADVERTISING AGE's Foreign Agency Income Survey of 862 agencies in 74 countries—the largest such survey in this publication's history—shows that gross income last year grew 27% to \$4.2 billion from \$3.3 billion in 1981, restated at 1982 ex-

change rates.

Japan's Dentsu Inc. maintained its position as the world's largest advertising agency, with a gross income of \$402.9 million—a rise of 7% over 1981. That is better than its 6% growth in 1981 over 1980, but still far from the days when Dentsu and other Japanese agencies routinely registered growth rates in the double-digits. This year Japanese agencies grew only on average 6.5% in billings, compared with 8.2% in 1981.

The second largest agency in the world remains Young & Rubicam, with a gross income of

\$376.6 million, edging closer to Dentsu compared with last year. For the second year, the new joint venture agency, Dentsu-Young & Rubicam, is listed among Japanese agencies and, for the first year, among Malaysian ones.

Acquisitions played a large part in realigning the top 10 world agency list this year. Ted Bates Worldwide leaped into the No. 3 slot from No. 6, with \$356.1 million in gross income, following its purchase of William Esty Co. last year.

Another big change is the emergence of Saatchi & Saatchi

Compton Worldwide as the ninth largest agency in the world, with a gross income of \$186.5 million. Last year Compton Advertising in the U.S. was the 16th largest agency, and Saatchi & Saatchi in the U.K. was 30th. The new combined agency replaces SSC&B:Lintas Worldwide, part of the Interpublic Group of Cos., on the list; it fell to 12th place behind Doyle Dane Bernbach and Foote, Cone & Belding.

Several large agencies declined to report this year, including Japan's Tokyu Advertising, which was No. 33 last year;

Mainosyhtymae Oy, last year's largest agency in Finland, and Publicidad Ferrer, last year's second largest agency in Mexico. They gave no reason.

In Britain, Saatchi & Saatchi continued its hot streak by growing 31% in gross income last year, far outpacing U.S. multinational agencies, including its leading contender for the top slot, J. Walter Thompson, which grew 11%. Other U.S. agencies did well, including Ogilvy & Mather, which grew 19% and moved into the No. 6 spot from No. 9 last year, Leo

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Dennis Chase is international editor of ADVERTISING AGE.

Shops weather storms

(Continued from Page M-9)

Burnett Co., which grew 32%, and Young & Rubicam Holdings, which grew 22%.

One casualty, however, was the McCann Group, which slipped 14% but held the No. 4 spot, although by a slim margin.

In Paris, the big winner was Doyle Dane Bernbach & Poyrat Paternot Garnier, which grew 36% and jumped from No. 18 to No. 8. Publicis Conseil lengthened its lead over No. 2 rival Havas Conseil Group.

Once the "engine" of Europe for U.S. advertisers, Germany slipped considerably last year. While it still is the fourth largest advertising market in the world, its lead over the fifth largest, France, is fading. Gross income for all agencies in Germany grew only 3% last year and is not expected to grow at all this year.

Most German agencies decreased the number of employees dramatically last year.

The McCann-Erickson Group was the biggest U.S. casualty, again in Germany, with gross income falling 3%, slipping a notch from second to third place on the rankings behind Team/BBDO Group, which grew 5%. Also hard hit was FCB-Deutschland Kommunikationen, with gross income falling 23% and its agency ranking slipping from No. 11 to No. 19, partly because of the loss of the worldwide British Airways account.

U.S. agencies generally did well in Australia, where the biggest change is the disappearance of the Fortune Group of Cos., formerly the No. 3 agency. It lost the worldwide Cathay Pacific Airlines account to Leo Burnett Co. What remains of the For-

tune group is now part of Dancer Fitzgerald Sample—a new agency formed this year that should break into the top 10 rankings next year largely because it has won the Toyota Motor Sales account. George Patterson agency, 80% owned by Ted Bates, continues to be the leader.

In other major markets a tough business climate caused shifts in the leaders. In South Africa, Grey Advertising, by growing 74% in gross income, overtook BBDO, which grew 37%, as the leading agency. In Canada, J. Walter Thompson Co., grew 32%, taking the lead from a Canadian agency, Foster Advertising, which grew 7%.

In Brazil, where local agencies dominate the market, MPM Propaganda is in danger of losing its long-held lead to Alcantara Machado, Periscinoto Comunicacoes, which grew faster.

Top 10 agency world groups

Income figures are in millions

Rank	Agency	Gross income	Billings
1	Interpublic Group of Cos.*	\$541.7	\$3.6 bill.
2	JWT Group*	433.5	2.9 bill.
3	Dentsu Inc.	402.9	2.9 bill.
4	Young & Rubicam	376.6	2.5 bill.
5	Ted Bates Worldwide	356.1	2.4 bill.
6	Ogilvy & Mather Intl.	315.0	2.2 bill.
7	BBDO Intl.	238.3	1.6 bill.
8	Leo Burnett Co.	221.2	1.5 bill.
9	Saatchi & Saatchi		
	Compton Worldwide	186.5	1.3 bill.
10	Foot, Cone & Belding	178.1	1.2 bill.

*Interpublic Group of Cos. is the holding company for McCann-Erickson Worldwide, SSC&B-Lintas Worldwide, Marchall Campbell-Ewald Worldwide. JWT Group is the holding company for J. Walter Thompson Co., Hill & Knowlton; Euro Advertising Intl.; Lord, Geller, Federico, Einstein; Survival Anglia; Simmons Market Research Bureau; Thompson Recruitment; Brouillard Communications; Deltakco.

World's top 50 ad agencies in 1982

Figures, shown here in millions, are based on total equity interest in foreign shops

Rank	Agency	Gross income	Billings	Rank	Agency	Gross income	Billings	Rank	Agency	Gross income	Billings
1	Dentsu	\$402.9	\$2.9 bill.	20	NW Ayer Inc.	83.9	587.0	41	Scali, McCabe, Sloves	27.7	202.3
2	Young & Rubicam*	376.6	2.5 bill.	21	William Esty Co.	82.0	550.0	42	Salles/Interamericana de Publicidad	26.5	106.1
3	Ted Bates Worldwide*	356.1	2.4 bill.	22	Marsteller Inc.	81.2	541.5	43	Laurence, Charles & Free	26.3	175.0
4	J. Walter Thompson Co.*	347.1	2.3 bill.	23	Wells, Rich, Greene	79.0	527.0	44	Leber Katz Partners	25.9	225.0
5	Ogilvy & Mather*	315.0	2.2 bill.	24	Publicis Intermarco-Farner	77.3	515.2	45	Della Femina, Travisano & Partners	25.8	172.0
6	McCann-Erickson Worldwide	276.1	1.8 bill.	25	Bozell & Jacobs	70.3	514.6	46	Asatsu	25.3	189.3
7	BBDO Intl.*	238.3	1.6 bill.	26	NCK Organization	69.8	433.5	47	Roux Seguela Cayzac & Goudard Group*	25.2	168.1
8	Leo Burnett Co.	221.2	1.5 bill.	27	Kenyon & Eckhardt Ketchum	64.9	436.9	48	Dai-ichi Advertising Co.	24.6	166.5
9	Saatchi & Saatchi			28	Communications	54.3	362.0	49	Wunderman, Ricotta & Kline	23.8	159.0
10	Foot, Cone & Belding*	178.1	1.2 bill.	29	Daiko Advertising	53.3	426.8	50	Dailey & Associates	22.8	152.6
11	Doyle Dane Bernbach*	175.9	1.2 bill.	30	Cunningham & Walsh	47.8	331.3				
12	SSC&B-Lintas Worldwide	175.0	1.2 bill.	31	Dai-ichi Kikaku	45.1	326.4				
13	D'Arcy-MacManus & Masius	167.3	1.1 bill.	32	Campbell-Mithun	37.4	251.6				
14	Hakuhodo Intl.	158.5	1.1 bill.	33	Backer & Spielvogel	37.2	249.5				
15	Grey Advertising	148.1	987.7	34	MPM Propaganda	36.8	147.2				
16	Benton & Bowles	127.6	885.7	35	Yomiko Advertising	35.7	216.4				
17	Marchall Campbell-Ewald	119.0	793.6	36	Alcantara Machado, Periscinoto Comunicacoes	35.2	152.7				
18	EUROCOM/Univas Group	114.6	766.9	37	Geers Gross Group	34.5	233.0				
19	Dancer Fitzgerald Sample	96.4	666.0	38	TBWA Advertising	33.1	220.2				
				39	Asahi Kokoku-sha Co.	28.0	181.0				
				40	Creamer Inc.	27.8	185.0				

*Included in figures: Young & Rubicam; Marsteller Inc.; Cato Johnson; Wunderman, Ricotta & Kline; Sudler & Hennessey; Stone & Adler. Ted Bates Worldwide: AC&R Advertising, William Esty Co., Campbell-Mithun, Diener/Hausser/Bates, McDonald & Little, Sawdon & Bee, Stern Walters/Earl Ludgin, Ogilvy & Mather; Scali, McCabe, Sloves; Cole & Weber; O&M Direct Response; Sussman & Sugar; A. Eicoff & Co. BBDO Intl.: Tracy-Locke/BBDO; Lavey/Wolf/Swift; Caravetta Allen Kimbrough/BBDO; Doremus & Co. Foot, Cone & Belding: Aitken-Kynett; Albert Frank-Guenther Law; Deutsch, Shee & Evans; Carl Byoir & Associates; Wahlstrom & Co.; FCB/Honig. Doyle Dane Bernbach: Cargill, Wilson & Acres; Fletcher Mayo Associates; Bernard Hodas Advertising; Rapp & Collins; Milici/Valenti. Roux Seguela Cayzac & Goudard Group: Includes agencies in the U.K., Germany, Spain, Belgium, Switzerland, Lebanon, the Caribbean.

Foreign currency rates

Exchange rates in these tables were applied to both 1982 and 1981 local currency figures for each agency. This seems to provide a more accurate assessment of an agency's year-to-year income and billings growth than applying different exchange rates for each year.

The use of different rates for each year would make an agency's growth dependent on the foreign exchange market (which has been particularly volatile in 1982), thereby eliminating its true growth as shown by its local

currency performance.

For example, if a French agency had billings of FF100,000 in 1982 and FF80,000 in 1981, the system of applying the same exchange rate of 0.1528 to both years would give the agency U.S. dollar equivalents of \$15,280 and \$12,224, respectively, indicating a growth in dollars as well as francs of 25%. However, if 1981's annual exchange rate of 0.1858 were applied to FF80,000, the dollar equivalent would be \$14,864, or only an increase in

dollar growth of 3%.

Because of particularly severe currency fluctuations in Argentina (-79%) and Brazil (-48%), it was decided not to show the percentage of increase or decrease in gross income for the two years, because that would not give a true picture.

The rates listed in the table are average annual rates of exchange. Local currency figures for 1982 are supplied in the charts.

Country	Currency	Rate	Country	Currency	Rate	Country	Currency	Rate	Country	Currency	Rate
Argentina	peso	0.0000596	Dubai (UAE)	dirham	0.2724	Jamaica	dollar	0.56	Philippines	peso	0.1183
Australia	dollar	1.0204	Ecuador	sucre	0.0313	Japan	yen	0.00402	Portugal	escudo	0.01284
Austria	schilling	0.0529	Egypt	pound	1.43	Kenya	shilling	0.1109	Saudi Arabia	ryal	0.29
Bahrain	dinar	2.04108	El Salvador	colon	0.412	Lebanon	pound	0.2081	Singapore	dollar	0.4668
Barbados	dollar	0.50	Finland	markka	0.2108	Malawi	kwacha	1.03	South Africa	rand	0.8360
Belgium	franc	0.02201	France	franc	0.1528	Malaysia	dollar	0.4307	South Korea	won	0.001405
Bolivia	peso	-0.0244	Germany	mark	0.4120	Malta	pound	2.45	Spain	peseta	0.00922
Brazil	cruzeiro	0.00603	Ghana	cedi	0.364	Mexico	peso	0.0204	Sri Lanka	rupee	0.0511
Britain	pound	1.7859	Greece	drachma	0.0151	Namibia	rand	0.846	Sweden	kroner	0.1621
Canada	dollar	0.8115	Honduras	lempira	0.513	Netherlands	guilder	0.3746	Switzerland	franc	0.4946
Chile	peso	0.0234	Hong Kong	dollar	0.1666	New Zealand	dollar	0.7521	Thailand	baht	0.05
China (Taiwan)	dollar	0.026	Iceland	kroner	0.0532	Nicaragua	cordoba	0.1034	Trinidad	dollar	0.4165
Colombia	peso	0.0157	India	rupee	0.1065	Nigeria	naira	1.498	Turkey	lira	0.00637
Costa Rica	colon	0.024	Indonesia	rupiah	0.0015	Norway	kroner	0.1587	Uruguay	peso	0.08055
Curaçao	florin	0.559	Ireland	pound	1.4224	Pakistan	rupee	0.0836	Venezuela	bolivar	0.2328
Cyprus	pound	2.31	Israel	shekel	0.0454	Paraguay	guarani	0.0074	Zambia	kwacha	1.18
Denmark	kroner	0.1201	Italy	lira	0.000741	Peru	sol	0.001532	Zimbabwe	dollar	1.35